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5/001/035**BLM Cedar City Field Office
Site Inspection Report**

May 12, 2003

To: Case file UTU-71326, 43 CFR 3809 Disturbance
Dave Penney,
Sliver #1-4 Picasso Marble Mines

From: Ed Ginouves, CCFO Mining Engineer

Subject: Site Inspection

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MAY 20 2003

DIV. OF OIL, GAS & MINING

On May 9, 2003, I visited the south (or dark) Picasso marble pit, which is located mostly on private land and partially on BLM land. I had spoken to Mr. Penney on the phone earlier in the week regarding the necessary financial guarantees to extend the notices, which have yet to be posted. Mr. Penney claims that Mr. Garahana and Mr. Snyder of the USO have told them him to hold off filing the bonds for the site until certain form correspondence can be finalized. I told Mr. Penney, that unless he is planning to appeal the current bond estimate I have made, it is time to file the necessary bond.

The weather was cool, with scattered rain and snow showers. Site conditions were wet and muddy. Mr. Penney was alone at the site. He had a rented tracked excavator (a Cat 345B, for \$8,250/month) and a small tracked loader (a Case 1150) in the main pit (owned), and a flat bed semi trailer and a side-dump semi trailer (both owned by Mr. Penney) in the loadout area. Mr. Penney had been actively mining at the site over the past 2 weeks. He is presently recovering Picasso and what he termed Blue-Sky marble from the three marble beds exposed in the pit.

Mr. Penney noted that he is still obtaining \$0.35/lb for broken marble pieces suitable for fetish carving and sculpting. The small pieces are loaded in cardboard containers roughly 4' square, each container holding ~3,000 lbs and worth \$1000. Each semi-trailer load holds 10-12 containers. He said that he retains premium large pieces for his personal sculpting and sales to other sculptors. The big pieces are loaded into his side dump rock truck. In the pit area he had set aside several very-large, multi-ton marble blocks for test sawing on-site into slabs – apparently he is working with another party to investigate wire-sawing these large pieces to recover slabs suitable for table-tops or facing stone.

The main pit face on the north side had been extended to the north several tens of feet and he had created a new disturbance at the northeast edge of the pit area (adjacent to the dry drainage) to access pit highwall from above. He also had disturbed/trampled an area adjacent to the access trail just south of the loadout, presumably to allow for more room to turn the semi-trailers around. In the process of creating this disturbance he exposed a metamorphosed shale bed that he believes may have commercial value. I did not survey the perimeter of the pit to determine the area of new disturbance (since my survey in August, 2002), but I would estimate it to be ~0.5 acres total. Most of this disturbance was on private land. I photographed the main pit from the opposing hillside.

I asked Mr. Penney what his plans were for this year. He told me that he had already been to the Green Chameleon site, and was planning on finishing up at the dark Picasso pit next week. Next he would go to the light Picasso pit, and then to the Old Hickory and Montreal pits, located on private lands (owned by Mr. McCulley), in the Rocky Range.

I gave Mr. Penney the BLM Surface Management Personal Bond Form (3809-2) along with the instructions for filing the Form. I encouraged him to submit the form for at the bond amount covering the two extended notices in the CCFO (UTU-71326 and UTU-78613), that were not currently bonded for reclamation. I told him he needed to get the CCFO sites bonded immediately, as according to the regulations, no extended notices could be active (except for reclamation) after January, 20, 2003, without having first posted the necessary reclamation bond.